

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 23, 2009
POSITION: Oppose
SPONSOR: American Society for the Protection of Cruelty
Against Animals, The Humane Society of the
United States, Social Compassion in Legislation

BILL NUMBER: AB 241
AUTHOR: P. Nava

BILL SUMMARY: Dogs and Cats: Breeding For Sale

This bill would prohibit and make it a misdemeanor for a person to own, possess, or have control of more than a combined total of 50 adult unsterilized dogs and cats at any time used for the purpose of breeding or raising dogs or cats for sale as pets. This bill would require that such a person sterilize, sell, transfer, relinquish, or euthanize, as provided, the excess animals within 30 days of notification by authorities. This bill would make specified exemptions and would also authorize a peace officer, humane officer, or animal control officer to lawfully take possession of an animal kept in violation of this bill's provision when necessary to protect the health of the animal or others.

FISCAL SUMMARY

This bill would likely result in an increase to the General Fund cost of the Animal Adoption mandate which requires local entities to retain impounded animals for up to six days. Currently, more than \$24 million is expended annually to reimburse local government shelters' cost to care for impounded animals. The Animal Adoption mandate has been approved for a one-year suspension in 2009-10. However, the requirements of this bill would likely increase the number of animals seized, abandoned, or surrendered, resulting in increased ongoing mandate costs to the state beginning in 2010-11.

This bill would also result in decreased state and local sales tax revenues, decreased state income tax revenue, and increased state costs for unemployment benefits due to the reduction or elimination of large-scale breeding facilities.

COMMENTS

The Department of Finance is opposed to this measure because it would likely result in increased General Fund costs for an existing state-mandated local program, increased unemployment benefits, and decreased tax revenues to the state. Additionally, this bill is not necessary since existing law already regulates dog breeders, as provided, and also addresses concerns with animals that are not properly cared for, as well as concerns with substandard facilities.

Current law:

- Makes it a misdemeanor to permit an animal to be in any building, enclosure, street, lot, or judicial district without proper care and attention.
- Provides that any peace officer, humane society officer, or animal control officer (officer) shall take possession of the abandoned or neglected animal and shall provide proper care and treatment for the animal until the animal is deemed to be in a suitable condition to be returned to the owner.
- Provides that when the officer has reasonable grounds to believe that prompt action is required to protect the health or safety of the animal, the officer shall immediately seize the animal and comply with existing procedures, as specified.

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Analyst/Principal (0222) R. Baker	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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P. Nava

July 23, 2009

AB 241

COMMENTS (Cont'd)

- Requires that an animal confined in an enclosed area be provided with an adequate exercise area.
- Regulates pet stores, including but not limited to adequate, sanitary facilities and proper nutrition, care, and treatment of animals.
- Designates any person or association that sells, transfers, or gives away 50 or more dogs in the preceding calendar year as a "dog breeder." It also provides that all dog breeders are subject to the provisions of the Polanco-Lockyer Pet Breeder Warranty Act that provides numerous consumer protections for persons who purchase dogs from dog breeders, and requires that dog breeders maintain sanitary breeding facilities and provide dogs with adequate food, water, shelter, exercise, living space, opportunities for socialization, and veterinary care.

This bill would limit the number of adult unsterilized dogs and cats that a person may have at any time that are used for breeding purposes to produce offspring for sale as pets. Finance notes that there is no definition of "adult" which could make this bill difficult to enforce on a consistent basis and could become a source of litigation.

This bill would make exemptions for public animal control agencies and shelters, duly incorporated private animal shelters, veterinary facilities, and research facilities; however, this bill does not make exemptions for boarding, handling, and sporting dog or training facilities that may have more than 50 adult unsterilized animals at one time.

This bill would imply that the quality of a breeder is determined by the quantity of animals the breeder has. Finance notes that this is not necessarily true, and that simply limiting the number of intact animals would not guarantee assurance of the humane treatment of animals. Using quantity to assess breeding operations ignores more meaningful indicators such as standards of care, conditions, staffing levels, and outcomes, none of which are addressed by this bill. The Cat Fanciers' Association expresses concern that the number 50 is arbitrary and unrelated to the care and condition of the animals, and as such, could be lowered at any time in the future.

Finance also notes that this bill would discriminate against responsible, legitimate breeders that may have large, adequately-run facilities. Not all large-scale breeding operations and commercial kennels are substandard kennels. In fact, legitimate large-scale facilities may even provide more quality care, treatment, and facilities.

According to the California Department of Food and Agriculture, this bill may have an indirect economic impact on large-scale breeding facilities that supply pets for sale. While it's difficult to estimate the exact number of large-scale breeders in the state, the National Animal Interest Alliance (NAIA) indicates that over 40 kennels would be impacted by this measure. By reducing the number of larger facilities or shutting them down, this bill could influence suppliers and brokers that normally purchase animals from these breeding facilities to acquire dogs and cats from out-of-state sources, making it difficult to assure that pets are raised under satisfactory conditions. Sales of animals from outside sources would compete with California shelters and others trying to find homes for displaced animals.

Furthermore, the reduction or elimination of legitimate large-scale breeding facilities could have a negative impact on California's economy by reducing state and local sales tax revenues, state income tax revenues, and the number of jobs in the state, resulting in increased costs to the state for unemployment benefits. According to the NAIA, this bill, at a minimum, would reduce annual state and local sales tax revenues by \$175,500, increase the state's cost of unemployment benefits by \$134,680, and result in income losses ranging from \$480,000 to \$912,000 (based only on pet food sales and veterinary services) for local businesses and suppliers, who depend on large-scale breeders that invest in large amounts of pet food, supplies, and veterinary care for their animals.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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AB 241

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
8885/Comm St Mndt	SO	No	-----	See Fiscal Summary				-----	0001